



**CITY OF SCOTTSDALE
TOURISM DEVELOPMENT COMMISSION
REGULAR MEETING**

Tuesday, November 21, 2017

**Kiva Forum-City Hall
3939 N. Drinkwater Boulevard
Scottsdale, Arizona 85251
DRAFT MINUTES**

PRESENT: David Scholefield, Chairperson
Linda Dillenbeck, Vice Chairperson
Frank Ashmore
Carl Grupp
Ken McKenzie
David Winter

ABSENT: Camille Hill

STAFF: Karen Churchard
Steve Geiogamah
Bill Murphy
Brent Stockwell
Holli Shannon
Paul Basha
Michael Gugisberg

GUESTS: Rachel Pearson, Experience Scottsdale
Caroline Stoeckel, Experience Scottsdale
Traci Thompson, General Manager, Scottsdale League for the Arts
Solange Whitehead

1. Call to Order/Roll Call

Chair Scholefield called the regular meeting of the Scottsdale Tourism Development Commission to order at 8:02 a.m., and noted the presence of a quorum. He noted that the tree lighting ceremony for Scottsdazzle would take place on Saturday. The Snow Bowl will be opening shortly. He wished everyone a happy Thanksgiving. The Great Cup Canadian Football League Championship takes place this weekend.

2. Approval of Minutes

- October 17, 2017 Regular Session Minutes

Commissioner Ashmore suggested that in the heading for funded events, the dates be included. Steve Geiogamah said that the dates would be added.

Vice Chair Dillenbeck provided a speaker correction for a comment regarding the date for the National Rodeo.

Chair Scholefield referred to page 6, paragraph 3 regarding the International Off-Road Expo and noted the reference was followed by a paragraph regarding the International Film Festival. Vice Chair Dillenbeck said she reviewed the tapes and the speaker does in fact refer to an International Film Festival.

COMMISSIONER MCKENZIE MOVED TO APPROVE THE MINUTES OF THE OCTOBER 17, 2017 REGULAR MINUTES AS AMENDED. COMMISSIONER ASHMORE SECONDED. THE MOTION CARRIED BY A VOTE OF SIX (6) TO ZERO (0). COMMISSIONER HILL WAS ABSENT.

3. Scottsdale Culinary Event Support Funding Proposal April 13-15, 2018

Mr. Geiogamah stated that the request is for \$75,000 for three-year event funding. The request is being brought forward as part of the community event funding multiyear program. Traci Thompson, General Manager, Scottsdale League for the Arts, announced the event dates as April 13-15, 2018. Scottsdale League for the Arts is a 501(c)(3) nonprofit volunteer organization supporting art programs and education through fundraising and special events. The League awards an annual net profit of 100 percent back into the community via the grants program. The largest contributor to the grants program is the culinary festival. To date, the League has donated \$4.6 million. Attendance has ranged from 24,000 to 30,000, with the goal this year being 32,000. This year's program will include an Epcot Center-like approach with various culinary areas. In 2017, the event brought in a national act with LeAnn Rimes performing. The 2017 budget for media was \$67,000 and they would like to increase this amount. The goal is to achieve \$750,000 to \$1 million in revenue. Efforts include partnership with a national auto advertising company. They have also partnered with Cities West Publications.

Commissioner Grupp asked about plans to promote more nationally. Ms. Thompson said there are current discussions with a couple of renowned chefs and it is hoped that this promotion will drive additional traffic. The national act will include I Heart Radio, which will add additional exposure. There will also be more national digital outreach.

Commissioner Ashmore asked about corporate sponsorships. Ms. Thompson stated that the cabanas are 10 by 10 or 10 by 20, which can be expanded. They range in price from \$7,500 to \$15,000. This was very successful last year. The cost is an all-inclusive ticket price. Food is higher end and all-inclusive, including alcohol. Cabana areas overlook the stage and fountain. Last year, nine were sold. This year the goal is for 12.

Chair Scholefield noted that a guideline was set that events must have 40 years in the City of Scottsdale to be considered for this funding. The report indicates the event is about to have its 40th year. Procedurally, there should be clarity. Mr. Geiogamah stated that staff would identify this going forward.

Chair Scholefield stated that the event has been receiving funding for 21 years and that the total contribution is \$341,000, which equates to approximately \$16,000 per year. He asked what the additional funds would be spent on, as the request this year is for \$75,000. Ms. Thompson said the additional funds will be for the increased media spend.

Chair Scholefield quoted from the application: *"The best part is that the event's net proceeds benefit local art and art education nonprofit organizations within Maricopa County."* He asked if there is a percentage of funds that goes back to the Scottsdale area versus Maricopa County in general. Ms. Thompson confirmed that funds come back to Scottsdale, including a check to the Performing Arts. A guaranteed \$60,000 amount goes to Scottsdale Museum of Contemporary Art, in addition to other grants. Chair Scholefield suggested that in the future, this be clearly specified.

Commissioner Ashmore inquired as to the demographic data of attendees, specifically out of town versus in town attendees. Ms. Thompson acknowledged that she was unable to answer the specific question. As a nonprofit, they have not had funding for such analysis. However, she can confirm through interactions that the Teen Culinary Cook-off is drawing increasing numbers of out of town guests, especially as there is a culinary scholarship awarded. Mr. Geiogamah noted that a few years back, surveys were conducted on some events. He stated he would provide the survey results of this event (from years past) to Commissioners.

COMMISSIONER MCKENZIE MOVED TO RECOMMEND FUNDING FOR THE SCOTTSDALE CULINARY FESTIVAL IN THE AMOUNT OF \$75,000 ANNUALLY FOR THREE YEARS FROM EVENT DEVELOPMENT FUNDS. COMMISSIONER WINTER SECONDED. THE MOTION CARRIED BY A VOTE OF SIX (6) TO ZERO (0). COMMISSIONER HILL WAS ABSENT.

4. Work Study Agenda Review

Mr. Geiogamah said the process has begun to schedule the annual work study session. The focus will be on Financial Policy 21-A and bed tax spending allocated toward the City portion of funds. City bed tax allocations are seen in the tourism program proforma. The draft work-study agenda outlines the meeting discussion and will provide staff direction to present to City Council on any potential changes to Financial Policy 21-A. Chair Scholefield stated that Financial Policy 21-A is the framework from which the Commission operates. Half of the money from the bed tax and the Princess Resort lease goes to Experience Scottsdale. The other 50 percent is subject to guidelines that have been established under 21-A. The Commission will be discussing whether it wishes to make any changes in allotments. Mr. Geiogamah added that \$1.5 million goes into the General Fund, \$1.2 million goes toward events, and \$500,000 goes to one-time uses. Chair Scholefield suggested that this is also an opportunity to revisit the bed tax stabilization discussion.

Commissioner Ashmore suggested a review of the Star data, understanding the reports and identifying trends.

There was discussion regarding scheduling. There was consensus to hold the work study meeting on January 16th and the Regular meeting on December 12th.

5. Experience Scottsdale First Quarter Performance Measures Report

Rachel Pearson, Experience Scottsdale, reported on the first quarter report, from July through September. The marketing team launched a new microsite, Desert Dish Scottsdale, which provides an opportunity to share the City's culinary scene in more detail. Scottsdale Golf Week will be held January 9-14, 2017. Advertising is running through Score Golf, Links Magazine, email blasts and social media ads.

In the first quarter, the team launched new Scottsdale Wine and Ale trail maps. In the first quarter, the convention sales team booked over 135 meetings, which is ahead of last year's pace. They also hosted the Sonoran Familiarization Tour, which brought 22 meeting planners and resulted in 16 leads. One team member attended a major sports trade show, meeting with 32 event organizers, bringing leads for WestWorld, Scottsdale Sports Stadium and the Scottsdale Stadium.

The communications team helped generate over 270 articles in the first quarter, resulting in coverage worth over \$5 million. During the first quarter, they brought 23 journalists to Scottsdale. The tourism team met 904 travel agents and tour operators from seven countries in the first quarter. The team is on track to meet all of its performance measurements. For the second quarter report, there will be reports on the holiday campaign, the AFAR Instagram takeover partnership, promotions regarding the new international air service in the Valley as well as the Los Angeles takeover.

Commissioner McKenzie inquired as to the activity in lead volume. Ms. Pearson stated that the convention sales team is ahead of pace for bookings and room nights. Some hoteliers have expressed concern about group reservations going into 2018. In response, the VP of marketing and VP of sales had a meeting with a few of the top contacts at the hotels to brainstorm ideas. These programs and opportunities will be shared with hoteliers in the next couple of months.

Commissioner Ashmore thanked the team. Omni Scottsdale has participated in some of the fams, which were very well received by media guests. They had a number of first-time visitors as part of the groups. Ms. Pearson added that between the first and second quarter, they have hosted six to seven fams, the majority first-time visitors to Scottsdale. Commissioner Ashmore commented that this is what distinguishes Experience Scottsdale from other similar organizations.

6. Scottsdale Stadium Update

Bill Murphy stated that there is a contract with the San Francisco Giants that goes to 2025, including two five-year extensions. In 2015, there was discussion regarding the opportunity to look into a master plan. The focus was Spring Training use at Scottsdale Stadium, improving player development for the Giants and reaching long-term goals. An

RFP was completed in 2015 and awarded in early 2016 to Populous. Goals include evaluation of Indian School Park and Papago Sports Complex, improving stadium operations and the fan experience. In 1992, the stadium was sold as a multiuse venue and was used for the Giants, the Firebirds and fall league baseball. Year-round baseball continued until the Arizona Diamondbacks started. The goal is to get back to a year-round operation. Actions taken include:

- Hired consultant for Master Plan process
- Evaluation of Indian School Park and Papago Park
- Contacted Phoenix to determine interest in Papago facility long-term lease (35 years)
- Complete letter of understanding between Phoenix and Scottsdale
- Brainstorm stadium ideas internally

Other areas for exploration include evaluation of:

- MLB Baseball operation future needs
- Update stadium facility operations
- Fan experience – seats, shade, access, amenities
- Multi-use facility opportunities
- Ability for full facility usage 12 months a year
 - Giants Spring Training – January through March
 - Seasonal events, special events, meetings

Mr. Murphy reviewed proposed stadium improvements via aerial photographs. Stadium Master Plan status was reviewed as follows:

Concept plan being finalized to include:

- Concept site plans and character sketches
- Project scope and estimate of costs

To be addressed:

- Professional baseball improvements
- Fan experience enhancements
- Facility maintenance/operations updates
- Several year-round multiuse venues

The Stadium Master Plan time frame is as follows:

- Concept Master Plan to be released in early 2018
- Scottsdale and Phoenix working to finalize agreement for Papago player development facility
- Scottsdale and San Francisco Giants to bring updated contractual agreement in early 2018

Commissioner Grupp asked about special events outside of baseball that would be ideal. Mr. Murphy listed potential events, including festivals and concerts. There have been meetings with local event planners to collect further ideas. With the expansion of the Civic Center, there may be an opportunity to move some events to the stadium.

Chair Scholefield noted that some major league requirements such as netting are mandatory. He asked about the number of days per year the stadium is being used. Mr. Murphy stated that there are approximately 200 dates of use. The majority of events are held on the concourse or the building as opposed to the field. In response to a question from Chair Scholefield, Mr. Murphy agreed that the goal is to increase the number of events from April through December on the field.

Commissioner Winter asked whether they have looked at events which have been held at Salt River Fields, such as food truck weekends. Mr. Murphy confirmed that the team has looked at events at surrounding stadiums and have developed some ideas based on this input. Part of the design work will address access and logistics for such events.

7. Transportation Update

Paul Basha, Transportation Director addressed the newly operating bike share program in Scottsdale. The program allows riders to rent bicycles electronically without the need to go to a bike facility. The program began early this month with the introduction of GRID Bike Share (currently 100 bikes) and LimeBike (currently 240 bikes). A third provider, Spin, will be entering this week or next.

Four years ago, the City of Phoenix began a bike share program. Unfortunately, Scottsdale was unable to participate. The program then expanded to Tempe and Mesa. The program requires city funding as well as regional and federal grants. It also involves stations where available bikes are located. The Phoenix program has expanded to allow bikes to park away from stations. The City of Scottsdale will not have bike stations. Bicycles will be parked legally and properly and available for bike renters. Scottsdale is contributing no City funding and is not involved in the business operations. Over the past two months, there have been a number of discussions with various City departments. The City Attorney's Office informed the department that there is no legal right to prohibit bike share companies from operating in Scottsdale. This is a test period. If everything operates as expected, no changes are anticipated. If there are problems, a City ordinance may be developed to control and regulate bike share companies.

Commissioner McKenzie asked where the bikes are located. Mr. Basha stated that the bikes are located wherever the companies decide to place them, as long as they are legally and properly parked, including several on the Civic Center campus and other popular sites throughout Downtown. The two bike companies currently operating are focusing on the area south of Camelback Road, although they are expected to expand north. The City has asked the companies to provide bikes in City parks, especially near greenbelt trails. LimeBike has advised the City that by the end of the first week of December, they will have 1,000 bikes in operation.

Chair Scholefield asked about the process for finding an available bike. Mr. Basha explained that the program is entirely app-driven. The app indicates the location of available bikes.

In response to a question from Commissioner Winter, Mr. Basha clarified that the bikes are not located at specific locations, but are legally parked. This distinguishes Scottsdale from other bike share programs which use stations.

Commissioner Ashmore asked about potential liability to the City in the event of accidents or other incidents. Mr. Basha stated that the City is not involved, as these are entirely privately operated businesses.

Chair Scholefield asked about assurances that the bike share programs will operate in other parts of the City. Mr. Basha said this is a matter of capitalism and competition between the companies. The bike companies have already developed partnerships with private companies and private facilities.

In terms of Downtown parking management, the goal is to provide sensors and parking spaces for two primary purposes: To provide visitors the location of available parking spaces and to inform police of parking time violations. It will also provide the Transportation Department with data on parking space occupancy on an hour by hour basis, which will inform as to where additional parking spaces are needed. Four proposals were submitted in the competitive request for proposals process with Street Line, Inc., selected. A contract has since been signed with operations set to begin in January, 2018. The initial operation is in the northeast quadrant of Downtown, east of Scottsdale Road, west of Miller Road, north of Indian School Road and south of Camelback Road. This is also an app-based program.

Mr. Basha stated that approximately two years ago, City Council approved a recommendation from the Transportation Department to provide \$300,000 of transient occupancy tax devoted to the Downtown Trolley. The Commission has asked for a report on recent ridership. A comparison was done between the periods of January through December of 2017 to January through September of 2014. Two operations have seen a positive increase, including the Downtown Trolley (54 percent increase). The Miller Road and Neighborhood Trolleys have declined in ridership. Ridership of all Scottsdale buses has declined. Scottsdale buses which also operate in Phoenix and Tempe have declined in ridership. Throughout Metropolitan Phoenix, ridership has declined 14 percent. Light rail has increased in ridership approximately 15 percent.

Chair Scholefield noted that in the past, Mr. Basha has stressed the importance of evaluating routes on an annual basis. He asked about impacts on the less successful trolley and bus routes, such as the Neighborhood Trolley. Mr. Basha stated that the Neighborhood Trolley serves Scottsdale south of Downtown, connecting various residential neighborhoods to various parks and community services. The Miller Trolley serves Scottsdale south of the Downtown and connects to Scottsdale Community College. Valley Metro has been asked to evaluate three trolley routes: Miller, Neighborhood and Camelback. It is believed that the three routes can be combined into one or two, serving more of the City with less redundancy. The analysis will be complete in January with changes in the trolley operation anticipated. Similarly, bus routes are being evaluated for ridership for potential modifications. Route 56 is likely to be eliminated due to low ridership. It connects McDowell Road, SkySong and apartment complexes on McDowell Road to the Priest Washington light rail station.

Chair Scholefield asked about ridership demographics of the Downtown Trolley. Mr. Basha said that approximately 95 percent of riders on the Downtown Trolley are tourists. There are no plans to revisit a study in the near future. The focus is on the ridership decline issue. In addition, it is hoped that the Cactus Trolley will begin operation in one year.

Commissioner Ashmore asked for a quantification of ridership. Mr. Basha said he did not have the data readily available; however the department does have historical ridership statistics.

Chair Scholefield inquired as to the possibility of offering City advertising on the Downtown Trolley. Mr. Basha affirmed that this is an option. In previous years, the Downtown Trolley did have paid advertising. Public service advertising is an excellent idea.

Mr. Basha discussed a new trolley or bus service anticipated to begin in 2020 to be called the Scottsdale Road Limited Stop Route. The idea is to connect Scottsdale Fashion Square to the Scottsdale Thunderbird Park and Ride lot with an intent to have only two stops. It has become evident that people are riding rail over buses. It is believed that one reason relates to the fact that rail has less frequent stops and travel times are shorter. The Commission has asked that there be a third stop at Scottsdale Quarter and this will be considered when the operation is being developed definitively. Commissioner Grupp commented that Scottsdale Quarter is a hub of demand versus the park and ride facility; this would be worthy of exploration. Commissioner Ashmore said there is widespread support for reconsidering the Scottsdale Quarter location as a stop.

8. Transportation – Sky Harbor Connection

Ms. Pearson clarified that the Sky Harbor Connection name is merely being used internally at this time. When presented to the public, the name will be changed to something more visitor-friendly. In addition, the name is misleading in that it only indicates one aspect of the program. One goal is to address the arrival experience at Sky Harbor through a transportation program. Most visitors flying into the airport take a shuttle to a rental car center, where they wait for up to hours before finding their way to Scottsdale. The other concern is that once visitors are in Scottsdale, there are limited options to move around.

National research indicates that 45 percent of meeting planners consider transportation to be a very important consideration as part of their site selection. Meanwhile, Scottsdale's national ranking has decreased to number 36 out of the top 40 destinations. From a leisure perspective, the research indicates that Scottsdale's rankings are also low. Leisure visitors believe that the competitive set has better transportation than Scottsdale. The proposed trial program is innovative, low cost, flexible and provides an opportunity to test a possible solution. The trial will also allow for the gathering of pertinent data, such as visitor needs, destination and movement through the community. It will also assist in determining program requirements. The program is a six month trial from January through June at a cost of \$300,000. A visitor will be given a code for redemption via an app for transportation through Uber, Lyft or zTrip for \$10 off of up to two rides during the trial period. Eligible trips are to and from the Airport and between two points within the City of Scottsdale. The program has received support from the Experience Scottsdale Board of Directors and the Tourism Advisory Task Force.

Concerns have been raised regarding potential use by locals. The purpose of the program is not initially to serve locals. In order to address this, communications are taking place with the transportation companies to develop options to restrict usage by

locals. Additionally, the program had to be developed with the gift clause taken into consideration to prevent preferential treatment to a specific segment of the industry.

Mr. Basha stated that the City of Scottsdale has received low survey ratings from conference and convention meeting planners. The concept of the ride share subsidy is to allow visitors to reach Scottsdale more directly via a local who knows the area and the quickest routes. It also provides a pleasant experience from the Airport. They can skip the rental facilities near the Airport and instead rent a vehicle at their hotel. A Trolley option would require 12 hours a day operation, 365 days a year and tremendous expense. Other explored/rejected ideas include operation of a rental car facility in Scottsdale and a hotel shuttle from the Airport.

There are similar programs in four other communities similar to the proposed trial program. Currently, the City of Scottsdale operates a Cab Connection program for those certified as being unable to use bus and trolley services. Certified participants are provided 16 vouchers per month for cab service with the City paying 80 percent of the cost, up to a maximum of \$10 per trip. The same people who manage the Cab Connection Program will manage the proposed ride share program.

Vice Chair Dillenbeck asked whether a trip from the Airport to the hotel and from the hotel back to the Airport would be considered one trip or two. Mr. Basha replied that it would be considered two trips.

Commissioner Ashmore referred to the subsidy and asked whether the City will be paying the full retail value of the difference. Mr. Basha said the intent is to pay the full \$10 without any discount. Commissioner Ashmore suggested going back to the companies for a potential discount option when buying the services in bulk up front. Brent Stockwell added that if the pilot is successful and the City goes out to RFP with perhaps one provider, this might become a negotiating point. For pilot purposes, there is no discount.

Commissioner McKenzie inquired as to how a customer is defined coming out of Sky Harbor. Ms. Pearson said that the transportation companies will utilize their technology to assist in identifying locals versus out of town visitors.

Commissioner McKenzie said that when broken down, the trial period will accommodate 5,000 visitors per month, which seems to be low. He asked whether there are additional funding sources to access if the program takes off in a significant way. Ms. Pearson said that when devising the numbers, historical data was used in terms of how many people are arriving at the destination, how many are arriving via Sky Harbor and how many are staying at Scottsdale hotels and resorts. There were also conversations with the transportation companies regarding what percentage of riders actually redeem available codes. Mr. Basha added that it would be a positive development if all \$300,000 was utilized in January. A request for proposals would quickly follow.

Commissioner McKenzie asked about the average fare from Sky Harbor to Scottsdale. Ms. Pearson said the cost to go from the Airport to Downtown Scottsdale would be approximately \$15. To go to northern Scottsdale (Four Seasons) would cost approximately \$35. Commissioner McKenzie commented that the \$10 incentive is very low compared to the cost of traveling to Scottsdale. Ms. Pearson agreed that it seems

low, however in speaking with the transportation companies, they indicated that even incentive amounts as low as \$5 encourage travelers to use these programs. Mr. Stockwell added that in developing the program, marketing and perception benefits were also the focus.

Chair Scholefield asked for an overview of marketing for the program launch. Ms. Pearson invited Caroline Stoeckel, Experience Scottsdale to address the comments. Ms. Stoeckel said that through digital means, they are able to exactly target visitors in top performing markets. These areas include New York, Chicago, Los Angeles, San Francisco and New York. There is ability to expand throughout the domestic United States as well as Canada. The Experience Scottsdale also has the ability to limit those who see the particular offer on the website by IP address. Email is another significant factor, with approximately 100,000 existing database contacts available for marketing. There is also the potential to advertize at Sky Harbor.

Vice Chair Dillenbeck commented that it is a great concept. However, one concern is if the program is very successful and funds run out in March, might there be a negative perception for those arriving once the funds are no longer available? Ms. Stoeckel said she is hopeful that with the partnership with the Transportation Department an RFP could be promptly issued for such a circumstance.

Commissioner Ashmore pointed out that in a family of four, for example, each member of the family may have the Uber app and attempt to utilize the offer. He suggested that after the trial period, there should be an effort to eliminate the possibility of the program being taken advantage of. In addition, time should be spent exploring how the program can be used as a closing tool for groups and conventions, specifically how it can be used to bring in visitors during the off season.

Mr. Basha said the Department shares the concerns about local residents taking advantage during the test period. The invoices will be scrutinized to determine whether the trips are legitimate tourist travel. If successful, it is the intent for the program to be continuous year round. Commissioner McKenzie asked whether the funding request is a one-time ask. Mr. Basha stated that this will be determined at a later time as funding sources are explored.

VICE CHAIR DILLENBECK MOVED TO RECOMMEND FUNDING IN THE AMOUNT OF \$300,000 TOWARD THE SKY HARBOR CONNECTION. COMMISSIONER ASHMORE SECONDED. THE MOTION CARRIED BY A VOTE OF SIX (6) TO ZERO (0). COMMISSIONER HILL WAS ABSENT.

9. Event Funding Program Recommendations

a. Rock 'n' Roll Marathon

Mr. Geiogamah said the event takes place on January 13th and 14th. The request is for \$7,427.50. The group is going through the matching event advertising fund program. The working group has reviewed and recommends the requested funding amount.

Commissioner McKenzie asked whether this is the total amount that Scottsdale funds the Rock 'n' Roll Marathon. Mr. Geiogamah said this is correct, however there are some in-kind services provided through the police department for managing traffic control.

Commissioner Grupp asked why the request amount is equal to half of what was requested last year. Mr. Geiogamah stated that the request was submitted by the producer of the event. In addition there have been challenges in the past with tracking event room nights.

VICE CHAIR DILLENBECK MOVED TO SUPPORT THE EVENT AS PRESENTED. COMMISSIONER MCKENZIE SECONDED. THE MOTION CARRIED BY A VOTE OF SIX (6) TO ZERO (0). COMMISSIONER HILL WAS ABSENT.

10. Staff Reports

Staff presentation and Commission discussion of the following:

- b. Staff Bed-Tax Collection Report
- c. Staff Bed Tax Hotel Classification Report
- d. Bed Tax Proforma
- e. Smith Travel Report
- f. Program Updates
 - 1. Scottsdazzle and Canal Convergence Events
 - 2. Desert Edge City Council November 6 Work-Study Session
 - 3. Downtown 2.0 (Downtown Economic Feasibility Study)

Mr. Geiogamah noted that there continue to be fairly wide swings in the bed tax percentages both in month and year-to-date collections, as well as in the regional report. He introduced Michael Gugisberg to discuss the variances. Mr. Gugisberg explained that since the State has taken over the collection process, the City is not receiving its information on a timely basis, which skews the numbers.

Chair Scholefield asked for clarification that chart 1, table 1 includes rentals other than hotels. Mr. Gugisberg confirmed this, stating that anyone paying bed tax falls under this total. Chair Scholefield suggested the possibility of breaking out the Airbnbs into a separate column, which would help to determine whether this a growth segment or a stagnant segment.

Mr. Gugisberg said that the bed tax would be taking a hit in approximately a month totaling approximately \$580,000 as a property not located in Scottsdale had been paying bed tax dollars in error for the past four months. Chair Scholefield requested that when the adjustment is made, a note of explanation be included in the report.

Chair Scholefield commented that January should be a time for a relatively comparative report, as the state took over in January of 2017. Mr. Guggisberg clarified that February would be the beginning point for an accurate comparison.

Mr. Geiogamah addressed changes to the format of the bed tax proforma received last month. Staff has broken out the event programming by multi-year events, one-time event contracts. Also added for fiscal year 2017/18, staff included estimates for event

funding programs, including the matching event advertising fund, community and venue fee programs. These estimates were made in order to begin looking at potential amounts available for a new event under unused portions identified between destination marketing and event programming on the proforma.

In response to a question from Chair Scholefield, Mr. Geiogamah confirmed that each time a program is recommended by TDC and subsequently approved by the City Council; the estimated column will be updated. Currently \$126,000 is potentially available based on current estimates, to fund an event for the next six months from the allocation of \$1.2 million.

Commissioner McKenzie referred to the outstanding debt and multiyear commitments for capital projects and noted it does not include the Desert EDGE. There are two \$600,000 "slices," which could support another \$1.2 million. The commitment for long-term capital projects is roughly \$4.8 million out of a budget of \$8 million. Mr. Geiogamah stated the math appeared correct. The proforma does include things that have not been approved by City Council, which the Commission has allocated, including the \$1.2 million that has not been carried forward in the outstanding debt over a number of years. This is generally not done until approved by City Council. Commissioner McKenzie said the point is that the available funds for approval are quickly shrinking.

Vice Chair Dillenbeck noted that during the last meeting, there was discussion regarding looking at a five-year projection, so that multi-year events being funded are included on a single sheet. Mr. Geiogamah said that staff can work on this for December. Chair Scholefield said it must be available in time for the work study session.

Chair Scholefield referred to the one year event funding agreements, the Schwab Cup listed at \$75,000. The event is over, but his understanding was that this was a multiyear agreement. Mr. Geiogamah confirmed that it was a multiyear program, having termed out in fiscal year 16/17.

Chair Scholefield referred to carryover uses, "strategic plan carryover," and "tourism strategic plan years four and five." He sought clarification that carryover refers to funds already allocated to the TATF, which have not been spent and funds under year four and five are funds that are still to be allocated. Karen Churchard stated that the strategic plan carryover amount was the original amount that was requested. There appears to be a small balance. Subsequently, there were requested amounts for year four and five, which was part of the operating budget. The year four was in last year's fiscal year, where a balance was carried over.

Ms. Churchard reported that Scottsdazzle kicks off on Thursday night with the tree lighting ceremony, sing-along and orchestra. This program came out of the Tourism Strategic Plan last year and was funded both last year and this year. There are heavy investments with I Heart Media, KEZ, 99.9. Scottsdale sponsored turning the switch from normal programming to holiday music last week. There will be approximately 2.3 million visitors over the next few weeks and a promotion will run for the next four weeks. A sign will be placed in the Canal Banks area with the Christmas tree purchased last year. There will be lights on the Canal Bridge with a selfie station in place. The Reflection Rising installation will be in place. Twenty-five prisms will be installed throughout the Canal Banks Area.

Arizona Canal concerts will take place every December evening with the exception of December 3rd. Flowers are being put up throughout Downtown and the Civic Center Mall extending through the season. There are new lights on Scottsdale Road. Santa Wine Around will take place on Saturday, December 2nd. Events are also being held at the Old Adobe Mission. Cowboy Christmas will be featured on Saturday, December 9th from 3 p.m. to 7 p.m. in Old Town. A portion of Main Street and Brown will be closed for the event. New décor will be added on Main Street. The Gold Palette ArtWalk is being sponsored by the TDC and will occur on Thursday, December 14th. Fifth Avenue has been transformed to Sugar Plum Avenue with holiday décor. The Sugar Plum Avenue will take place on Saturday, December 16th from 3 p.m. to 7 p.m. along Fifth Avenue. The Fifth Avenue merchants have agreed to allow the closing of a portion of the street.

The website is live and is offering various discounts and promotional offers from merchants and restaurants.

In terms of Canal Convergence, event dates are set for February 23rd and 24th as well as March 2nd and 3rd of 2018. The Commission requested that the event occur on two weekends, rather than four consecutive days. The Commission and the City Council requested how the event tracks when it is moved to November, 2018. Mr. Geiogamah has been assisting to develop an event intercept study survey. An event intercept study survey will be done at Scottsdazzle as well.

In regard to the update on the Desert EDGE work study session, Council decided to provide time for the citizen initiative petition process to be completed before they move forward on a decision. They asked staff to explore alternate locations outside of the Preserve. City Council also discussed ballot language, exploration of funding options and clarification of participation agreements with ASU. Staff will be meeting with the City Manager next week to prepare for the next introduction to the City Council with the requested answers.

A work study session was held with City Council on November 13th with regard to the Downtown 2.0 Study. This included a high level review of the 127 page study, including public space making, refocus on the arts, connectivity, special events, management of Downtown going forward and funding options for recommendations from the study. Staff made four suggestions, including placing items in the operation budget. Ms. Churchard will return to the Commission in December to discuss operating budget items for recommendation potentially using bed tax funds. The second recommendation was to develop a process to prioritize 2.0, which City Council agreed to. The third recommendation was in regard to a hotel with a conference center space. City Council was not as favorable to this being a private public partnership, so a subsequent meeting is planned for how to move forward. The fourth recommendation was exploration of management and funding options.

10. Public Comment

Solange Whitehead introduced herself as a previous Preserve Commission member for six years and a 21-year resident of Scottsdale. She was pleased when City Council chose to pause the Desert EDGE project at its last work study session. The issue had become so divisive that residents with the same interests and goals were on opposite

sides of the table. Hopefully the pause will provide time to reach common ground. She described Scottsdale as having an effortless elegance with a thriving Downtown as well as wilderness. Scottsdale has the largest urban preserve in the nation. With the City's limited resources, it is important to avoid harming existing "cash cows" such as the Preserve.

11. Identification of Future Agenda Items

Mr. Geiogamah said there will be events reviewed in December. The operational budget will be coming forward in December as well.

12. Adjournment

The meeting adjourned at 10:17 a.m.

SUBMITTED BY:

eScribers, LLC